

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.



EvDynamics

Ev Dynamics (Holdings) Limited

科軒動力(控股)有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 476)

**DISCLOSEABLE TRANSACTIONS
(1) TERMINATION AGREEMENT
WITH FIRST PURCHASER
IN RELATION TO THE DISPOSAL OF EQUITY
INTEREST IN QUANTRON AG; AND
(2) SALE AND PURCHASE AGREEMENT WITH SECOND
PURCHASER IN RELATION TO
THE DISPOSAL OF EQUITY INTEREST IN QUANTRON AG**

TERMINATION AGREEMENT

Reference is made to the Disposal Announcement in relation to Previous Agreement entered into between the First Purchaser and the Company for the disposal of approximately 4.9% of the equity interest in Quantron AG.

On 13 November 2023 (after trading hours), the First Purchaser and the Company entered into the Termination Agreement, pursuant to which (i) the First Purchaser agreed to irrevocably and unconditionally terminate its right to acquire the Previous Sale Shares from the Company; and (ii) the First Purchaser and the Company agreed that a payment in the sum of EUR900,000 (equivalent to approximately HK\$7,515,000) received by the Company would not be refundable and the Company agreed to transfer First Sale Shares, representing approximately 1.1% of the equity interest in Quantron AG as at the date of this announcement, to the First Purchaser in respect of such payment.

SALE AND PURCHASE AGREEMENT

On 13 November 2023 (after trading hours), the Company entered into the Sale and Purchase Agreement with the Second Purchaser, pursuant to which the Company has agreed to sell and the Second Purchaser has agreed to acquire the Second Sale Shares at the total consideration of EUR1,000,000 (equivalent to approximately HK\$8,350,000).

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Disposals of the First Sale Shares and Second Sale Shares under the Termination Agreement and Sale and Purchase Agreement as calculated aggregately under Rule 14.07 of the Listing Rules exceeds 5% but are less than 25%, the Disposal constitutes discloseable transactions for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

(1) TERMINATION AGREEMENT

Background

Reference is made to the Disposal Announcement dated 23 November 2022 in relation to Previous Agreement entered into between the First Purchaser and the Company for the disposal of the Previous Sale Shares at the total consideration of EUR5,635,000.

Up to the date of this announcement, the Company received a sum of EUR900,000 (equivalent to approximately HK\$7,515,000) from the First Purchaser pursuant to the Previous Agreement. As the consideration for the Previous Sale Shares under the Previous Agreement was not fully settled by the First Purchaser, the First Purchaser and the Company agreed to terminate the Previous Agreement.

The Termination Agreement

On 13 November 2023 (after trading hours), the First Purchaser and the Company entered into the Termination Agreement, pursuant to which

- (i) the First Purchaser agreed to irrevocably and unconditionally terminate its rights to acquire the Previous Sale Shares from the Company; and

- (ii) the First Purchaser and the Company agreed that a payment in the sum of EUR900,000 (equivalent to approximately HK\$7,515,000) received by the Company would not be refundable and the Company agreed to transfer the First Sale Shares, representing approximately 1.1% of the equity interest in Quantron AG as at the date of this announcement, to the First Purchaser.

Upon completion of the transfer of the First Sale Shares, (i) the First Purchaser agreed to waive its right to claim or seek other remedy against the other for matters arising out of or in connection with the Previous Agreement; and (ii) the First Purchaser and the Company shall be released from their respective obligations thereunder, and agreed that the Previous Agreement was of no further force and effect, notwithstanding any terms therein to the contrary.

(2) THE SALE AND PURCHASE AGREEMENT

On 13 November 2023 (after trading hours), the Company entered into the Sale and Purchase Agreement with the Second Purchaser, pursuant to which the Company has agreed to sell and the Second Purchaser has agreed to acquire the Second Sale Shares at the total consideration of EUR1,000,000 (equivalent to approximately HK\$8,350,000).

The principal terms of the Sale and Purchase Agreement are summarized as follows.

Date

13 November 2023 (after trading hours)

Parties

- (1) the Second Purchaser; and
- (2) the Company.

To the best of knowledge, information and belief of the Board and after making all reasonable enquiries, the Second Purchaser and its ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected persons.

Subject Matter

Pursuant to the Sale and Purchase Agreement, the Company has agreed to sell and the Second Purchaser has agreed to acquire, the Second Sale Shares, representing approximately 6.4% of the equity interest in Quantron AG as at the date of this announcement, at the Consideration of EUR1,000,000 (equivalent to approximately HK\$8,350,000).

The Sale Shares is classified as financial asset at fair value through profit or loss in the Group's consolidated financial statements. Upon Completion, the Company will continue to hold 3,861 shares of Quantron AG, representing approximately 5.47% of the entire equity interest in Quantron AG, which will continue to be classified as financial asset at fair value through profit or loss in the Group's consolidated financial statements.

Consideration

The Consideration payable by the Purchaser under the Sale and Purchase Agreement is EUR1,000,000 (equivalent to approximately HK\$8,350,000), which shall be payable in cash by the Second Purchaser to the Company within 7 days from the date of the Sale and Purchase Agreement.

The Consideration was arrived at after arm's length negotiations among the parties to the Sale and Purchase Agreement and was determined with reference to, including but not limited to: (i) the business and development prospects of Quantron AG; and (ii) the reasons for the Disposal as mentioned in the section headed "Reasons for and benefits of the Disposal" below.

Conditions precedent

The Completion is conditional upon, among other things, the satisfaction of relevant listing rules and regulations, including but not limited to all necessary authorisations, approvals, clearance, consents and/or waivers from Shareholders as required under the Listing Rules, and relevant binding agreements in connection with the Sale and Purchase Agreement and for the transactions contemplated thereunder having been obtained and performed by the Company and the Second Purchaser.

Completion

Completion shall take place on the Completion Date after the settlement of the Consideration by the Second Purchaser.

INFORMATION OF THE GROUP AND THE COMPANY

The principal activity of the Company is investment holding. The principal activities of the subsidiaries of the Company consist of investment holding, development of new energy business and mining.

INFORMATION OF THE FIRST PURCHASER

The First Purchaser is a limited company incorporated in the United Arab Emirates. It is principally engaged in the provision of the cargo consolidation services for cargo transportation, and a range of other transport-related services such as warehousing, air freight, and trucking. The ultimate beneficial owner of the First Purchaser is Mr. Ulf Christian Vilhelmsson, a Swedish citizen and a retired professional sportsman. To the best knowledge of the Directors, the First Purchaser and Mr. Ulf Christian Vilhelmsson are independent of and not connected with the Company and its connected persons.

INFORMATION OF THE SECOND PURCHASER

The Second Purchaser is a limited company incorporated in the Monaco. It is principally engaged in the manufacturing of electrical vehicles. The ultimate beneficial owner of the Second Purchaser is Dato' Sri Johann Young, a Malaysia citizen. To the best of knowledge, information and belief of the Board and after making all reasonable enquiries, the Second Purchaser and Dato' Sri Johann Young are independent of and not connected with the Company and its connected persons.

INFORMATION OF QUANTRON AG

Quantron AG is a limited company incorporated in Germany in 2019 and is principally engaged in e-mobility in inner-city and regional passenger and freight transport. As at the date of this announcement, Quantron AG is beneficially owned as to 12.97% by the Company and 49.58% by Mr. Andreas Haller, a German citizen and the Founder of Quantron AG. The remaining shares of Quantron AG were held by a number of shareholders independent to the Company.

Quantron AG specialises in the electrification of used and existing vehicles. Quantron AG offers a wide spectrum of new e-commercial vehicles based on the requirements and needs of its customers, which ranges from electric vans and e-buses to electric heavy-duty tractor units. Quantron AG also provides logistics services, battery solutions, and comprehensive consulting services.

Quantron AG recorded revenue of approximately EUR9.6 million and EUR13.7 million for the years ended 31 December 2021 and 2022, respectively. The net loss before and after taxation of Quantron AG were approximately EUR5.1 million and EUR15.2 million for the years ended 31 December 2021 and 2022, respectively. The unaudited net assets of Quantron AG were approximately EUR5.9 million as at 31 December 2022.

REASONS FOR AND BENEFITS OF THE DISPOSAL

In recent years, the Group has expanded its business into overseas markets instead of relying solely on the PRC market. The Company subscribed for 9,157 shares in Quantron AG, representing approximately 12.97% of the entire equity interest of Quantron AG as at the date of this announcement, at a total consideration of EUR7,027,930 since 2021. The Company conducted the Subscriptions expecting to create a synergy effect with Quantron AG in view of establishing a foothold in Europe for achieving faster growth in European regions.

Taking into account the net loss after taxation of Quantron AG, which were approximately EUR5.1 million and EUR15.2 million for the years ended 31 December 2021 and 2022, respectively, the Company has reassessed the prospect of Quantron AG in view of the widening losses incurred by Quantron AG. As disclosed in the Disposal Announcement, it is the intention for the Group to dispose its entire investment in Quantron AG.

As such, the Company considered that the Disposal represented a reasonable and prudent decision to gradually withdraw its investment in Quantron AG. The Company intend to continue to explore opportunities to dispose the remaining equity interest in Quantron AG.

In addition, the Board is of the view that, the resources of the Group should be best deployed and aligned with the overall and long-term goals of the Group for the exploration and development of electric vehicles and components-related business(es) or venture(s) with better prospects or higher growth potential that will best serve the interests of the Company and its shareholders in the long run. The Group considered the Disposal presented an opportunity to realise part of its investment in the Quantron AG.

Furthermore, in view of the uncertainties surrounding the global economy, the Company considered it is prudent to maintain sufficient cash balance for daily operation and future development. As at 30 September 2023, the Company has a cash and bank balance of approximately HK\$4.1 million. As such, the cash inflow of EUR1.9 million resulting from the completion of the Disposal presents the Company with a valuable opportunity to improve its cashflow position.

In light of the above, the Board is of the view that the Disposal is a commercially sensible business decision and an appropriate course of action to take for the long-term development of the Group, as it enables the Company to position itself for sustainable long-term success and maximize value for its shareholders. As such, the Board considers the terms and conditions of the Termination Agreement and Sale and Purchase Agreement and the Disposal are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INTENDED USE OF PROCEEDS FROM THE DISPOSAL

The net proceeds from the Disposal, after deducting transaction costs, are estimated to be approximately EUR1.9 million (equivalent to approximately HK\$15.9 million), which is intended to be used for the development and expansion of the Company's electric vehicle business and general working capital purposes.

FINANCIAL EFFECT OF THE DISPOSAL

The Sale Shares is classified as financial asset at fair value through profit or loss in the Group's consolidated financial statements. Upon Completion, the Company will continue to hold 3,861 shares of Quantron AG, representing approximately 5.47% of the entire equity interest in Quantron AG, which will continue to be classified as financial asset at fair value through profit or loss in the Group's consolidated financial statements

The Group expects to recognise an unaudited loss of approximately HK\$58.8 million as a result of the Disposal, which is calculated based on the proceeds from the Disposal of approximately HK\$15.9 million, deducted by the book value of the First Sale Shares and Second Sale Shares on the consolidated financial statements of the Group of approximately HK\$74.7 million. The actual gain or loss as a result of the Disposal to be recorded by the Group is subject to audit and will be assessed after the Completion.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Chapter 14 of the Listing Rules in respect of the capital commitment of the Group in relation to the Disposal under the Termination Agreement and Sale and Purchase Agreement aggregately are more than 5% but all applicable percentage ratios are less than 25%, the Disposal constitutes a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Completion of the Disposal is subject to the satisfaction of the local laws and regulations in Germany where Quantron AG operates. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

“Board”	the board of Directors
“Company”	Ev Dynamics (Holdings) Limited, a company incorporated under the laws of Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 476)
“Completion”	completion of the disposal of the Second Sale Shares subject to and upon the respective terms and conditions of the Sale and Purchase Agreement
“Completion Date”	the date of Completion
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration of EUR1,000,000 (equivalent to approximately HK\$8,350,000) for the disposal of the Second Sale Shares under the Sale and Purchase Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the First Sale Shares and the Second Sale Shares by the Company to the First Purchaser and Second Purchaser under the Termination Agreement and the Sale and Purchase Agreement
“Disposal Announcement”	the announcement of the Company dated 23 November 2022 in relation to the Previous Agreement

“EUR”	Euros, the lawful currency of the member states of the European Union
“First Purchaser”	Nordicon Group DMCC, a limited liability company incorporated in United Arab Emirates
“First Sale Shares”	775 shares of Quantron AG, representing approximately 1.1% of equity interest in Quantron AG as at the date of this announcement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan
“Previous Agreement”	the sale and purchase agreement dated 23 November 2022 entered into between the Company and the First Purchaser in relation to the disposal of Previous Sale Shares
“Previous Sale Shares”	3,238 shares of Quantron AG, representing approximately 4.9% of equity interest in Quantron AG as at the date of the Disposal Announcement
“Quantron AG”	a company incorporated in Germany with limited liability and owned as to 12.97% by the Company, as to 37.45% by other investors and as to 49.58% by Mr. Andreas Haller as at the date of this announcement
“Sale and Purchase Agreement”	the sale and purchase agreement dated 13 November 2023 entered into between the Company and the Second Purchaser in relation to the disposal of Second Sale Shares
“Second Purchaser”	S.C.I YCapital Asset Europe Three, a company incorporated in Monaco

“Second Sale Shares”	4,521 shares of Quantron AG, representing approximately 6.4% of equity interest in Quantron AG as at the date of this announcement
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriptions”	the subscription of the Sale Shares in Quantron AG by the Company pursuant to (i) an investment agreement made between the Company, Quantron AG, Mr. Andreas Haller and Haller Holding dated 30 April 2021; and (ii) a subscription agreement dated 29 July 2021 entered into between the Company and Quantron AG. Details of which are set out in the announcements of the Company dated 30 April 2021 and 29 July 2021
“Termination Agreement”	the termination agreement dated 13 November 2023 entered into between the Company and the First Purchaser in relation to the termination of the Previous Agreement
“%”	per cent

For illustration only, amounts in EUR have been translated into HK\$ at the exchange rate of EUR1 = HK\$8.35.

For and on behalf of the Board
Ev Dynamics (Holdings) Limited
Cheung Ngan
Chairman

Hong Kong, 13 November 2023

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Cheung Ngan, Mr. Miguel Valdecabres Polop and Ms. Chan Hoi Ying, and three independent non-executive Directors, namely Mr. Chan Francis Ping Kuen, Mr. Lee Kwok Leung and Dato’ Tan Yee Boon.